

governor, lieutenant governor, attorney general, auditor of state, secretary of agriculture, secretary of state, and treasurer of state shall be determined as provided in this section. Commencing with the first pay period which ends during the new fiscal year in July, the annual salaries of the elected state officers enumerated in this section, as their annual salaries existed during the preceding fiscal year, shall be adjusted by an amount equal to the average of the annual cost-of-living pay adjustments negotiated for the members of the collective bargaining units represented by the state police officers council labor union, the American federation of state, county, and municipal employees, and the Iowa united professionals for the same fiscal year. The annual salaries determined for the elected state officers as provided in this section for the fiscal year beginning July 1, 1998, shall remain in effect for subsequent fiscal years until otherwise provided by the general assembly.

Approved May 9, 1997

CHAPTER 205

APPROPRIATIONS — JUSTICE SYSTEM

S.F. 533

AN ACT relating to and making appropriations to the justice system and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF JUSTICE. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the general office of attorney general for salaries, support, maintenance, miscellaneous purposes including odometer fraud enforcement, and for not more than the following full-time equivalent positions:

.....	\$	6,995,561
.....	FTEs	177.50

2. Prosecuting attorney training program for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	269,392
.....	FTEs	6.00

a. In addition to the funds appropriated in this subsection for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the attorney general shall provide up to \$41,000 in state matching funds from moneys retained by the attorney general from property forfeited pursuant to section 809A.17, for the prosecuting attorney training program, the prosecuting intern program, or both. Counties participating in the prosecuting intern program shall match the state funds.

b. In addition to the funds appropriated in this subsection for the fiscal year beginning July 1, 1997, and ending June 30, 1998, and the moneys retained by the attorney general pursuant to paragraph "a", the attorney general shall provide up to \$10,000 in state matching funds from moneys retained by the attorney general from property forfeited pursuant to section 809A.17, for the office of the prosecuting attorneys training coordinator to use for continuation of the domestic violence response enhancement program established in accordance with 1992 Iowa Acts, chapter 1240, section 1, subsection 2, paragraph "b".

c. The prosecuting attorneys training program shall use a portion of the funds appropriated in this subsection for educating and training prosecuting attorneys, as defined in section 13A.1, in alternative dispute resolution techniques.

3. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1997, and ending June 30, 1998, an amount not exceeding \$200,000 to be used for the enforcement of the Iowa competition law. The expenditure of the funds appropriated in this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to either the expenditures from damages awarded to the state or a political subdivision of the state by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorneys fees awarded the state in state or federal antitrust actions. However, if the funds received as a result of these judgments are in excess of \$200,000, the excess funds shall not be appropriated to the department of justice pursuant to this subsection.

4. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1997, and ending June 30, 1998, an amount not exceeding \$150,000 to be used for public education relating to consumer fraud and for enforcement of section 714.16, and an amount not exceeding \$75,000 for investigation, prosecution, and consumer education relating to consumer and criminal fraud against older Iowans. The expenditure of the funds appropriated in this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to the expenditures from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment or settlement, if the judgment or settlement authorizes the use of the award for public education on consumer fraud. However, if the funds received as a result of these judgments and settlements are in excess of \$225,000, the excess funds shall not be appropriated to the department of justice pursuant to this subsection.

5. For victim assistance grants:

..... \$ 1,759,806

a. The funds appropriated in this subsection shall be used to provide grants to care providers providing services to crime victims of domestic abuse or to crime victims of rape and sexual assault.

b. Notwithstanding section 8.33 or 8.39, any balance remaining from the appropriation in this subsection shall not revert to the general fund of the state but shall be available for expenditure during the subsequent fiscal year for the same purpose, and shall not be transferred to any other program.

6. For the GASA prosecuting attorney program and for not more than the following full-time equivalent positions:

..... \$ 121,259

..... FTEs 2.00

7. The balance of the victim compensation fund established under section 912.14 may be used to provide salary and support of not more than 13.00 FTEs and to provide maintenance for the victim compensation functions of the department of justice.

8. The department of justice shall submit monthly financial statements to the legislative fiscal bureau and the department of management containing all appropriated accounts in the same manner as provided in the monthly financial status reports and personal services usage reports of the department of revenue and finance. The monthly financial statements shall include comparisons of the moneys and percentage spent of budgeted to actual revenues and expenditures on a cumulative basis for full-time equivalent positions and available moneys.

9. a. The department of justice, in submitting budget estimates for the fiscal year commencing July 1, 1998, pursuant to section 8.23, shall include a report of funding from sources other than amounts appropriated directly from the general fund of the state to the depart-

ment of justice or to the office of consumer advocate. These funding sources shall include, but are not limited to, reimbursements from other state agencies, commissions, boards, or similar entities, and reimbursements from special funds or internal accounts within the department of justice. The department of justice shall report actual reimbursements for the fiscal year commencing July 1, 1996, and actual and expected reimbursements for the fiscal year commencing July 1, 1997.

b. The department of justice shall include the report required under paragraph "a", as well as information regarding any revisions occurring as a result of reimbursements actually received or expected at a later date, in a report to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative fiscal bureau. The department of justice shall submit the report on or before January 15, 1998.

10. For legal services for persons in poverty grants as provided in section 13.34:

..... \$ 500,000
As a condition for accepting a grant funded pursuant to this subsection, an organization receiving a grant shall submit a report to the general assembly by January 1, 1998, concerning the use of any grants received during the previous fiscal year and efforts made by the organization to find alternative sources of revenue to replace any reductions in federal funding for the organization.

In addition to moneys appropriated in this subsection, the executive council is authorized, in its discretion, to disburse from the civil reparations trust fund created in section 668A.1 an additional amount, not to exceed \$450,000, to the department of justice for use as legal services for persons in poverty grants as provided in section 13.34.

Sec. 2. DEPARTMENT OF JUSTICE — ENVIRONMENTAL CRIMES INVESTIGATION AND PROSECUTION — FUNDING. There is appropriated from the environmental crime fund of the department of justice, consisting of court-ordered fines and penalties awarded to the department arising out of the prosecution of environmental crimes, to the department of justice for the fiscal year beginning July 1, 1997, and ending June 30, 1998, an amount not exceeding \$20,000 to be used by the department, at the discretion of the attorney general, for the investigation and prosecution of environmental crimes, including the reimbursement of expenses incurred by county, municipal, and other local governmental agencies cooperating with the department in the investigation and prosecution of environmental crimes.

The expenditure of the funds appropriated in this section is contingent upon receipt by the environmental crime fund of the department of justice of an amount at least equal to the appropriations made in this section and received from contributions, court-ordered restitution as part of judgments in criminal cases, and consent decrees entered into as part of civil or regulatory enforcement actions. However, if the funds received during the fiscal year are in excess of \$20,000, the excess funds shall be deposited in the general fund of the state.

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the designated purpose in the succeeding fiscal year.

Sec. 3. OFFICE OF CONSUMER ADVOCATE. There is appropriated from the general fund of the state to the office of consumer advocate of the department of justice for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,372,826
..... FTEs 32.00

Sec. 4. DEPARTMENT OF CORRECTIONS — FACILITIES. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning

July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the operation of adult correctional institutions, to be allocated as follows:

a. For the operation of the Fort Madison correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	27,618,153
.....	FTEs	507.97

b. For the operation of the Anamosa correctional facility, including salaries, support, maintenance, employment of correctional officers and a part-time chaplain to provide religious counseling to inmates of a minority race, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	20,888,037
.....	FTEs	384.75

Moneys are provided within this appropriation for two full-time substance abuse counselors for the Luster Heights facility, for the purpose of certification of a substance abuse program at that facility.

c. For the operation of the Oakdale correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	17,284,751
.....	FTEs	334.30

d. For the operation of the Newton correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	19,251,272
.....	FTEs	375.75

e. For the operation of the Mt. Pleasant correctional facility, including salaries, support, maintenance, employment of correctional officers and a full-time chaplain to provide religious counseling at the Oakdale and Mt. Pleasant correctional facilities, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	14,911,431
.....	FTEs	289.32

f. For the operation of the Rockwell City correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,950,292
.....	FTEs	115.00

g. For the operation of the Clarinda correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	15,441,395
.....	FTEs	263.00

Moneys received by the department of corrections as reimbursement for services provided to the Clarinda youth corporation are appropriated to the department and shall be used for the purpose of operating the Clarinda correctional facility.

h. For the operation of the Mitchellville correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	7,138,684
.....	FTEs	146.00

i. For the operation of the Fort Dodge correctional facility, including salaries, support, maintenance, employment of correctional officers, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	9,540,122
.....	FTEs	149.00

2. a. If the inmate tort claim fund for inmate claims of less than \$100 is exhausted during the fiscal year, sufficient funds shall be transferred from the institutional budgets to pay approved tort claims for the balance of the fiscal year. The warden or superintendent of each institution or correctional facility shall designate an employee to receive, investigate, and recommend whether to pay any properly filed inmate tort claim for less than the above amount. The designee's recommendation shall be approved or denied by the warden or superintendent and forwarded to the department of corrections for final approval and payment. The amounts appropriated to this fund pursuant to 1987 Iowa Acts, chapter 234, section 304, subsection 2, are not subject to reversion under section 8.33.

b. Tort claims denied at the institution shall be forwarded to the state appeal board for their consideration as if originally filed with that body. This procedure shall be used in lieu of chapter 669 for inmate tort claims of less than \$100.

3. The department of corrections is authorized to construct a 200-bed living unit at the Mitchellville correctional facility utilizing federal grant moneys received by the department for this purpose.

Sec. 5. DEPARTMENT OF CORRECTIONS — ADMINISTRATION. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For general administration, including salaries, support, maintenance, employment of an education director and clerk to administer a centralized education program for the correctional system, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,024,844
.....	FTEs	37.18

The department shall monitor the use of the classification model by the judicial district departments of correctional services and has the authority to override a district department's decision regarding classification of community-based clients. The department shall notify a district department of the reasons for the override.

It is the intent of the general assembly that as a condition of receiving the appropriation provided in this subsection, the department of corrections shall not enter into a new contract, unless the contract is a renewal of an existing contract, for the expenditure of moneys in excess of \$100,000 during the fiscal year beginning July 1, 1997, for the privatization of services performed by the department using state employees as of July 1, 1997, or for the privatization of new services by the department, without prior consultation with any applicable state employee organization affected by the proposed new contract and prior notification of the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system.

The department of general services shall, notwithstanding any provisions of law or rule to the contrary, permit the department of corrections the opportunity to acquire, at no cost, computers that would otherwise be disposed of by the department of general services. The department of corrections shall use computers acquired under this paragraph to provide educational training and programs for inmates.

2. For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 901.7, 904.908, and 906.17 and for offenders confined pursuant to section 904.513:

.....	\$	524,038
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3. For federal prison reimbursement, reimbursements for out-of-state placements, and miscellaneous contracts:

.....	\$	341,334
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The department of corrections shall use funds appropriated in this subsection to continue to contract for the services of a Muslim imam.

4. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions at the correctional training center at Mt. Pleasant:

.....	\$	463,128
.....	FTEs	8.16

5. For annual payment relating to the financial arrangement for the construction of expansion in prison capacity as provided in 1989 Iowa Acts, chapter 316, section 7, subsection 6:

.....	\$	625,860
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6. For annual payment relating to the financial arrangement for the construction of expansion in prison capacity as provided in 1990 Iowa Acts, chapter 1257, section 24:

.....	\$	3,186,275
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7. For educational programs for inmates at state penal institutions:

.....	\$	2,950,600
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It is the intent of the general assembly that moneys appropriated in this subsection shall be used solely for the purpose indicated and that the moneys shall not be transferred for any other purpose. In addition, it is the intent of the general assembly that the department shall consult with the community colleges in the areas in which the institutions are located to utilize moneys appropriated in this subsection to fund the high school completion, high school equivalency diploma, adult literacy, and adult basic education programs in a manner so as to maintain these programs at the institutions.

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available only for the purposes designated in this subsection in the succeeding fiscal year.

8. The department of corrections shall submit a report to the general assembly on January 1, 1998, concerning progress made in implementing the requirements of section 904.701, concerning hard labor by inmates.

9. The department of corrections shall study and consider the adoption of new guidelines concerning the transportation of inmates. The study may consider the use of the federal marshal transportation services. The department shall submit a report to the general assembly by January 15, 1998, concerning the results of the study, including information concerning the costs associated with the recommendations.

10. The department of corrections shall study and consider the implementation of a computer database to provide inmate case management and offender profiling to better identify, track, and assist inmates of the correctional institutions.

11. It is the intent of the general assembly that the department of corrections connect all of its correctional facilities to the Iowa communications network (ICN).

12. It is the intent of the general assembly that the department of corrections shall continue to operate the correctional farms under the control of the department at the same or greater level of participation and involvement as existed as of January 1, 1997, and shall further attempt to provide meaningful job opportunities at the farms for inmates.

13. The department of corrections, to the extent permissible by law, shall implement, as soon as possible but in no event later than July 1, 1997, a program to limit the availability of television to inmates in correctional facilities under the control of the department to channels representing networks or stations for which under normal circumstances a fee is not required.

Sec. 6. JUDICIAL DISTRICT DEPARTMENTS OF CORRECTIONAL SERVICES.

1. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be allocated as follows:

a. For the first judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 7,157,999

(1) The district department shall continue the intensive supervision program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "a", and the sex offender treatment program established within the district in 1989 Iowa Acts, chapter 316, section 8, subsection 1, paragraph "a".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

b. For the second judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 5,729,149

(1) The district department shall continue the sex offender treatment program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "b".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

c. For the third judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 3,465,497

(1) The district department shall continue the sex offender treatment program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "c", and the intensive supervision program established within the district in 1990 Iowa Acts, chapter 1268, section 6, subsection 3, paragraph "d".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

d. For the fourth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 2,664,415

(1) The district department shall continue the sex offender treatment program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "d".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

e. For the fifth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 9,339,723

(1) The district department shall continue the intensive supervision program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "e", and shall continue to provide for the rental of electronic monitoring equipment.

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

f. For the sixth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 7,271,360

(1) The district department shall continue the intensive supervision program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "f", and the sex offender treatment program established within the district in 1989 Iowa Acts, chapter 316, section 8, subsection 1, paragraph "f".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

(3) The district department shall continue the implementation of a plan providing for the expanded use of intermediate criminal sanctions, as provided in 1993 Iowa Acts, chapter 171, section 6, subsection 1, paragraph "f", subparagraph (3).

g. For the seventh judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 4,599,542

(1) The district department shall continue the intensive supervision program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "g", and shall continue the sex offender treatment program established within the district in 1989 Iowa Acts, chapter 316, section 8, subsection 1, paragraph "g".

(2) The district department shall continue the job development program established within the district in 1990 Iowa Acts, chapter 1268, section 6, subsection 7, paragraph "e".

(3) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

h. For the eighth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 4,286,894

(1) The district department shall continue the intensive supervision program established within the district in 1988 Iowa Acts, chapter 1271, section 6, subsection 1, paragraph "h", and shall continue the sex offender treatment program established within the district in 1989 Iowa Acts, chapter 316, section 8, subsection 1, paragraph "h".

(2) The district department, in cooperation with the chief judge of the judicial district, shall continue the implementation of a plan to divert low-risk offenders to the least restrictive sanction available.

i. For the department of corrections for the assistance and support of each judicial district department of correctional services, the following amount, or so much thereof as is necessary:

..... \$ 83,576

2. The department of corrections shall continue to contract with a judicial district department of correctional services to provide for the rental of electronic monitoring equipment which shall be available statewide.

3. Each judicial district department of correctional services and the department of corrections shall continue the treatment alternatives to street crime programs established in 1989 Iowa Acts, chapter 225, section 9.

4. The governor's alliance on substance abuse shall consider federal grants made to the department of corrections for the benefit of each of the eight judicial district departments of correctional services as local government grants, as defined pursuant to federal regulations.

5. Each judicial district department of correctional services shall provide a report concerning the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative fiscal bureau, on or before January 15, 1998.

6. In addition to the requirements of section 8.39, the department of corrections shall not make an intradepartmental transfer of moneys appropriated to the department, unless notice of the intradepartmental transfer is given prior to its effective date to the legislative fiscal bureau. The notice shall include information on the department's rationale for making the transfer and details concerning the work load and performance measures upon which the transfers are based.

Sec. 7. CORRECTIONAL INSTITUTIONS — VOCATIONAL TRAINING. The state prison industries board and the department of corrections shall continue the implementation of a plan to enhance vocational training opportunities within the correctional institutions listed in section 904.102, as provided in 1993 Iowa Acts, chapter 171, section 12. The plan shall provide for increased vocational training opportunities within the correctional institutions, including the possibility of approving community college credit for inmates working in prison industries. The department of corrections shall provide a report concerning the implementation of the plan to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative fiscal bureau, on or before January 15, 1998.

It is the intent of the general assembly that each correctional facility make all reasonable efforts to maintain vocational education programs for inmates and to identify available funding sources to continue these programs. The department of corrections shall submit a report to the general assembly by January 1, 1998, concerning the efforts made by each correctional facility in maintaining vocational education programs for inmates.

***Sec. 8. APPROPRIATIONS TO THE DEPARTMENT OF CORRECTIONS — MONEYS ENCUMBERED — PRIORITIES.**

1. *Notwithstanding any other provision of law to the contrary, moneys appropriated to the department of corrections pursuant to 1996 Iowa Acts, chapter 1216, sections 6, 7, and 8, shall be considered encumbered pursuant to section 8.33, and shall not revert to the general fund of the state following the close of the fiscal year commencing July 1, 1996. As used in this section, unless the context otherwise requires, "encumbered funds" means the moneys appropriated to the department of corrections pursuant to 1996 Iowa Acts, chapter 1216, sections 6, 7, and 8, which would otherwise revert to the general fund of the state following the close of the fiscal year in which the moneys were appropriated, but for the prohibition contained in this section.*

2. *The department of corrections shall use encumbered funds in the fiscal year commencing July 1, 1997, to fund up to an additional 50 FTEs for the employment of correctional officers in the correctional institutions specified in section 904.102, and to purchase surveillance cameras and other necessary surveillance or safety equipment for use in correctional institutions. The full-time equivalent positions authorized in this section for the employment of correctional officers and the funding provided for the purchase of equipment are in addition to any full-time equivalent positions authorized or equipment funded in section 4 of this Act, providing appropriations for department of corrections facilities. The department of corrections shall use its discretion in distributing the additional correctional officers and equipment throughout the correctional facilities. The department of corrections shall file a report with the department of management concerning correctional officer positions filled and critically needed safety equipment purchased from encumbered funds provided under this section. If*

* Item veto; see message at end of the Act

*the department is able to fund an additional 50 FTEs for the employment of correctional officers pursuant to this section and to purchase all critically needed safety equipment, any remaining funds shall be unencumbered and shall revert to the general fund of the state at the close of the fiscal year commencing July 1, 1997.**

Sec. 9. STATE AGENCY PURCHASES FROM PRISON INDUSTRIES.

1. As used in this section, unless the context otherwise requires, "state agency" means the government of the state of Iowa, including but not limited to all executive departments, agencies, boards, bureaus, and commissions, the judicial department, the general assembly and all legislative agencies, institutions within the purview of the state board of regents, and any corporation whose primary function is to act as an instrumentality of the state.

2. State agencies are hereby encouraged to purchase products from Iowa state industries, as defined in section 904.802, when purchases are required and the products are available from Iowa state industries.

3. State agencies shall submit to the legislative fiscal bureau by January 15, 1998, a report of the dollar value of products and services purchased from Iowa state industries by the state agency during the fiscal year beginning July 1, 1996, and ending June 30, 1997.

Sec. 10. STATE PUBLIC DEFENDER. There is appropriated from the general fund of the state to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, for the purposes designated:

..... \$ 33,087,035

The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

1. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 12,300,519
..... FTEs 199.00

2. For the fees of court-appointed attorneys for indigent adults and juveniles, notwithstanding section 232.141 and chapter 815:

..... \$ 20,786,516

Sec. 11. JUDICIAL DEPARTMENT. There is appropriated from the general fund of the state to the judicial department for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, receipt and disbursement of child support payments, reimbursement of the auditor of state for expenses incurred in completing audits of the offices of the clerks of the district court during the fiscal year beginning July 1, 1997, and maintenance, equipment, and miscellaneous purposes:

..... \$ 95,267,213

a. The judicial department, except for purposes of internal processing, shall use the current state budget system, the state payroll system, and the Iowa finance and accounting system in administration of programs and payments for services, and shall not duplicate the state payroll, accounting, and budgeting systems.

b. The judicial department shall submit monthly financial statements to the legislative fiscal bureau and the department of management containing all appropriated accounts in the same manner as provided in the monthly financial status reports and personal services usage reports of the department of revenue and finance. The monthly financial statements

* Item veto; see message at end of the Act

shall include a comparison of the dollars and percentage spent of budgeted versus actual revenues and expenditures on a cumulative basis for full-time equivalent positions and dollars.

c. Of the funds appropriated in this subsection, not more than \$1,897,728 may be transferred into the revolving fund established pursuant to section 602.1302, subsection 3, to be used for the payment of jury and witness fees and mileage.

d. The judicial department shall focus efforts upon the collection of delinquent fines, penalties, court costs, fees, surcharges, or similar amounts.

e. It is the intent of the general assembly that the offices of the clerks of the district court operate in all ninety-nine counties and be accessible to the public as much as is reasonably possible in order to address the relative needs of the citizens of each county.

f. In addition to the requirements for transfers under section 8.39, the judicial department shall not change the appropriations from the amounts appropriated to the department in this Act, unless notice of the revisions is given prior to their effective date to the legislative fiscal bureau. The notice shall include information on the department's rationale for making the changes and details concerning the work load and performance measures upon which the changes are based.

g. The judicial department shall provide a report semiannually to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and to the legislative fiscal bureau specifying the amounts of fines, surcharges, and court costs collected using the Iowa court information system. The report shall demonstrate and specify how the Iowa court information system is used to improve the collection process.

The report required by this lettered paragraph shall be made by January 15, 1998, for the additional counties added to the system by 1996 Iowa Acts, chapter 1216, indicating whether the counties have reduced uncollected court fines and fees by 50 percent as a result of being added to the system.

h. The judicial department shall provide a report to the general assembly by January 1, 1998, concerning the amounts received and expended from the enhanced court collections fund created in section 602.1304 and the court technology and modernization fund created in section 602.8108, subsection 4, during the fiscal year beginning July 1, 1996, and ending June 30, 1997, and the plans for expenditures from each fund during the fiscal year beginning July 1, 1997, and ending June 30, 1998.

2. For the juvenile victim restitution program:

..... \$ 155,396

Sec. 12. COURT TECHNOLOGY AND MODERNIZATION FUND — DISTRIBUTION. Of the moneys collected and deposited in the court technology and modernization fund established in section 602.8108 in the fiscal year beginning July 1, 1997, \$58,333 shall be expended for the implementation of the criminal justice improvement network (CJIN) and up to \$45,000 shall be expended for the data warehousing project.

Sec. 13. ENHANCED COURT COLLECTIONS FUND — DISTRIBUTION. Of the moneys collected and deposited in the enhanced court collections fund created in section 602.1304, the first \$50,000 deposited in the fund in the fiscal year beginning July 1, 1997, shall be expended by the judicial department to provide federal matching funds for the Iowa supreme court improvement project for child in need of assistance cases.

Sec. 14. JUDICIAL RETIREMENT FUND. There is appropriated from the general fund of the state to the judicial retirement fund for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state's contribution to the judicial retirement fund established in section 602.9104, in the amount of 23.7 percent of the basic salaries of the judges covered under chapter 602, article 9:

..... \$ 3,806,457

Sec. 15. INDIGENT DEFENSE COSTS. The supreme court shall submit a written report for the preceding fiscal year no later than January 1, 1998, indicating the amounts collected pursuant to section 815.9A, relating to recovery of indigent defense costs. The report shall include the total amount collected by all courts, as well as the amounts collected by each judicial district. The supreme court shall also submit a written report quarterly indicating the number of criminal and juvenile filings which occur in each judicial district for purposes of estimating indigent defense costs. A copy of each report shall be provided to the public defender, the department of management, and the legislative fiscal bureau. The judicial department shall continue to assist in the development of an automated data system for use in the sharing of information utilizing the generic program interface for legislative and executive branch uses.

Sec. 16. AUTOMATED DATA SYSTEM. The department of corrections, judicial district departments of correctional services, board of parole, and the judicial department shall continue to develop an automated data system for use in the sharing of information between the department of corrections, judicial district departments of correctional services, board of parole, and the judicial department. The information to be shared shall concern any individual who may, as the result of an arrest or infraction of any law, be subject to the jurisdiction of the department of corrections, judicial district departments of correctional services, or board of parole. The department of corrections, in consultation and cooperation with the judicial district departments of correctional services, the board of parole, and the judicial department, shall provide a report concerning the development of the automated data system to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative fiscal bureau, on or before January 15, 1998.

Sec. 17. IOWA LAW ENFORCEMENT ACADEMY. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, miscellaneous purposes, including jailer training and technical assistance, and for not more than the following full-time equivalent positions:

.....	\$	1,145,287
.....	FTEs	27.55

2. For salaries, support, maintenance, and miscellaneous purposes to provide statewide coordination of the drug abuse resistance education (D.A.R.E.) program:

.....	\$	30,000
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3. The Iowa law enforcement academy may annually select at least five automobiles of the department of public safety, division of highway safety, uniformed force, and radio communications, prior to turning over the automobiles to the state vehicle dispatcher to be disposed of by public auction and the Iowa law enforcement academy may exchange any automobile owned by the academy for each automobile selected if the selected automobile is used in training law enforcement officers at the academy. However, any automobile exchanged by the academy shall be substituted for the selected vehicle of the department of public safety and sold by public auction with the receipts being deposited in the depreciation fund to the credit of the department of public safety, division of highway safety, uniformed force, and radio communications.

Sec. 18. BOARD OF PAROLE. There is appropriated from the general fund of the state to the board of parole for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, including maintenance of an automated docket and the board's automated risk assessment model, employment of two statistical research analysts to assist with the application of the risk assessment model in the parole decision-making

process, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	924,802
.....	FTEs	18.00

A portion of the funds appropriated in this section shall be used to start a pilot program for probation violations in the sixth judicial district department of correctional services. Data shall be maintained to evaluate the pilot program.

Sec. 19. DEPARTMENT OF PUBLIC DEFENSE. There is appropriated from the general fund of the state to the department of public defense for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. MILITARY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,253,196
.....	FTEs	227.26

If there is a surplus in the general fund of the state for the fiscal year ending June 30, 1998, within 60 days after the close of the fiscal year, the military division may incur up to an additional \$500,000 in expenditures from the surplus prior to transfer of the surplus pursuant to section 8.57.

2. EMERGENCY MANAGEMENT DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	590,971
.....	FTEs	15.25

Sec. 20. DEPARTMENT OF PUBLIC SAFETY. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the department's administrative functions, including the criminal justice information system, and for not more than the following full-time equivalent positions:

.....	\$	2,272,374
.....	FTEs	38.80

2. For the division of criminal investigation and bureau of identification including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, to meet federal fund matching requirements, and for not more than the following full-time equivalent positions:

.....	\$	9,975,859
.....	FTEs	198.00

Riverboat enforcement costs shall be billed in accordance with section 99F.10, subsection 4. The costs shall be not more than the department's estimated expenditures, including salary adjustment, for riverboat enforcement for the fiscal year.

The department of public safety, with the approval of the department of management, may employ no more than two special agents and four gaming enforcement officers for each additional riverboat regulated after March 31, 1997, and one special agent for each racing facility which becomes operational during the fiscal year which begins July 1, 1997. One additional gaming enforcement officer, up to a total of four per boat, may be employed for each riverboat that has extended operations to 24 hours and has not previously operated with a 24-hour schedule. Positions authorized in this paragraph are in addition to the full-time equivalent positions authorized in this subsection.

3. a. For the division of narcotics enforcement, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, to meet federal fund matching requirements, and for not more than the following full-time equivalent positions:

.....	\$	2,573,278
.....	FTEs	41.00

b. For the division of narcotics enforcement for undercover purchases:

.....	\$	139,202
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4. For the state fire marshal's office, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

.....	\$	1,513,605
.....	FTEs	31.80

5. For the capitol security division, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated and for not more than the following full-time equivalent positions:

.....	\$	1,244,094
.....	FTEs	27.00

6. For costs associated with the maintenance of the automated fingerprint information system (AFIS):

.....	\$	233,265
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7. An employee of the department of public safety who retires after July 1, 1997, but prior to June 30, 1998, is eligible for payment of life or health insurance premiums as provided for in the collective bargaining agreement covering the public safety bargaining unit at the time of retirement if that employee previously served in a position which would have been covered by the agreement. The employee shall be given credit for the service in that prior position as though it were covered by that agreement. The provisions of this paragraph shall not operate to reduce any retirement benefits an employee may have earned under other collective bargaining agreements or retirement programs.

8. For costs associated with the training and equipment needs of volunteer fire fighters:
..... \$ 548,792

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available only for the purpose designated in this subsection in the succeeding fiscal year.

9. For costs associated with supplies and support for DNA testing:
..... \$ 100,000

10. For the state medical examiner and for not more than the following full-time equivalent positions:

.....	\$	341,959
.....	FTEs	4.00

Any fees collected by the department of public safety for autopsies performed by the office of the state medical examiner shall be deposited in the general fund of the state.

Sec. 21. HIGHWAY SAFETY PATROL FUND. There is appropriated from the highway safety patrol fund created in section 80.41 to the division of highway safety, uniformed force, and radio communications of the department of public safety, for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, workers' compensation costs, and miscellaneous

purposes, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

.....	\$	35,099,662
.....	FTEs	568.00

It is the intent of the general assembly that, of the funds appropriated in this subsection, the division shall expend the amount necessary to provide the state match for the additional state troopers hired through the federal community-oriented policing services program and authorized pursuant to 1996 Iowa Acts, chapter 1216, section 22. It is the intent of the general assembly that once federal moneys for this program end, the division shall present proposals to the governor and the general assembly for continued funding of the state troopers described in this paragraph and for consideration of reducing the number of state troopers through attrition, by the same number as the number of troopers added through the federal program.

2. The division of highway safety, uniformed force, and radio communications may expend an amount proportional to the costs that are reimbursable from the highway safety patrol fund created in section 80.41. Spending for these costs may occur from any unappropriated funds in the state treasury upon a finding by the department of management that all of the amounts requested and approved are reimbursable from the highway safety patrol fund. Upon payment to the highway safety patrol fund, the division of highway safety, uniformed force, and radio communications shall credit the payments necessary to reimburse the state treasury.

3. For payment to the department of personnel for expenses incurred in administering the merit system on behalf of the division of highway safety, uniformed force, and radio communications:

.....	\$	44,195
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Sec. 22. DEPARTMENT OF CORRECTIONS — FACILITY REMODELING FUND. Notwithstanding sections 8.33, 8.39, and 602.8108A, the department of corrections shall direct the treasurer of state to transfer on June 30, 1997, \$1,600,000 of the unused balance of funds in the Iowa prison infrastructure fund created in section 602.8108A, to a facility remodeling fund created in the state treasury and under the control of the department of corrections. Moneys in the facility remodeling fund shall be used by the department solely for the purpose of remodeling a structure in the fifth judicial district department of correctional services for use as a residential facility.

Sec. 23. Section 602.1304, subsection 2, paragraphs b and c, Code 1997, are amended to read as follows:

b. For each fiscal year, a judicial collection estimate for that fiscal year shall be equally and proportionally divided into a quarterly amount. The judicial collection estimate shall be calculated by using the state revenue estimating conference estimate made by December 15 pursuant to section 8.22A, subsection 3, of the total amount of fines, fees, civil penalties, costs, surcharges, and other revenues collected by judicial officers and court employees for deposit into the general fund of the state. The revenue estimating conference estimate shall be reduced by the maximum amounts allocated to the Iowa prison infrastructure fund pursuant to section 602.8108A, ~~and~~ the court technology and modernization fund pursuant to section 602.8108, ~~and the road use tax fund pursuant to section 602.8108, subsection 5,~~ and the remainder shall be the judicial collection estimate. In each quarter of a fiscal year, after revenues collected by judicial officers and court employees equal to that quarterly amount are deposited into the general fund of the state and after the required amount is deposited during the quarter into the Iowa prison infrastructure fund pursuant to section 602.8108A and into the court technology and modernization fund pursuant to section 602.8108, the director of revenue and finance shall deposit the remaining revenues for that quarter into the

enhanced court collections fund in lieu of the general fund. However, after total deposits into the collections fund for the fiscal year are equal to the maximum deposit amount established for the collections fund, remaining revenues for that fiscal year shall be deposited into the general fund. If the revenue estimating conference agrees to a different estimate at a later meeting which projects a lesser amount of revenue than the initial estimate amount used to calculate the judicial collection estimate, the director of revenue and finance shall recalculate the judicial collection estimate accordingly. If the revenue estimating conference agrees to a different estimate at a later meeting which projects a greater amount of revenue than the initial estimate amount used to calculate the judicial collection estimate, the director of revenue and finance shall recalculate the judicial collection estimate accordingly but only to the extent that the greater amount is due to an increase in the fines, fees, civil penalties, costs, surcharges, or other revenues allowed by law to be collected by judicial officers and court employees.

c. Moneys in the collections fund shall be used by the judicial department for the Iowa court information system; records management equipment, services, and projects; other technological improvements; electronic legal research equipment, systems, and projects; and the study, development, and implementation of other ~~technological improvements~~, innovations, and projects that would improve the administration of justice. The moneys in the collection fund may also be used for capital improvements necessitated by the installation or connection with the Iowa court information system, the Iowa communications network, and other technological improvements approved by the department.

Sec. 24. Section 602.6201, subsection 10, Code 1997, is amended to read as follows:

10. Notwithstanding the formula for determining the number of judgeships in this section, the number of district judges shall not exceed one hundred ~~eleven~~ twelve during the period commencing July 1, ~~1996~~ 1997.

Sec. 25. Section 905.12, unnumbered paragraph 2, Code 1997, is amended to read as follows:

Any balance remaining after deductions and payments shall be credited to the resident's personal account at the district department and shall be paid to the resident upon release. The ~~deputy director of the department of corrections responsible for community-based correctional programs~~ shall establish a plan to comply with the provisions of court orders entered pursuant to this section.

Sec. 26. 1995 Iowa Acts, chapter 166, section 2, is amended to read as follows:

SEC. 2. DEVELOPMENT OF PLAN AND TRANSITION TO FULL WORK PROGRAMMING BY DEPARTMENT. Notwithstanding section 1 of this Act, the department of corrections shall not be required to fully implement the requirements of section 904.701, until July 1, ~~1997~~ 1998. However, the department shall develop and implement a plan in consultation with state and local agencies and members of the private sector, which provides for the incremental implementation of the hard labor requirements contained in section 904.701, for each inmate who is physically and mentally able to perform hard labor and does not present an unreasonable security status, and who is not currently engaged in labor meeting the requirements. The plan shall provide for implementation of hard labor work programs during the interval of time between the effective date of this Act and July 1, ~~1997~~ 1998, with full implementation of the requirements of section 904.701 by July 1, ~~1997~~ 1998, and may provide for the performance of work by inmates both inside and outside of the institutions under the control of the department. The plan shall include a procedure for the determination of suitability of an inmate for the performance of hard labor and, if an inmate is found to be suitable, the placement of the inmate in an appropriate hard labor program. In selecting and developing work programs which are included within the plan, the department shall choose work programs which would require minimal additional administrative costs, which minimize the need for additional personnel, and which minimize the security risks to

the general public. The department shall submit a report to the general assembly on January 1, ~~1996~~ 1998, outlining the progress made towards implementation of this Act. The department shall also file a copy of the completed plan with the general assembly on January 1, ~~1997~~ 1999.

Sec. 27. 1996 Iowa Acts, chapter 1216, section 7, subsection 7, is amended to read as follows:

7. For funding of the criminal justice program at the university of northern Iowa: \$ 175,000

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available only for the purpose designated in this subsection in the succeeding fiscal year.

Sec. 28. 1996 Iowa Acts, chapter 1216, section 21, subsection 7, is amended to read as follows:

7. For costs associated with the training and equipment needs of volunteer fire fighters: \$ 875,000

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available only for the purpose designated in this subsection in the succeeding fiscal year.

Sec. 29. LEGAL REPRESENTATION OF INDIGENTS — STUDY. The legislative council is requested to establish an interim committee to study issues concerning the provision of legal representation to indigents. The interim committee shall submit a report and recommendations to the general assembly by January 1, 1998.

Sec. 30. SENTENCING STUDY. The legislative council is requested to establish an interim study committee to review current criminal penalties and sentencing practices, including but not limited to the effects of mandatory minimum penalties on sentencing practices and the effects of sentencing practices on inmate populations at state and adult and residential community-based correctional facilities. The committee shall also conduct a comparative assessment of the relative penalties imposed for various crimes based not only on the threat posed by the prohibited criminal conduct, but also by the risk generally associated with particular criminal offenders.

Sec. 31. EFFECTIVE DATES.

1. Section 1, subsections 3 and 4, of this Act, relating to Iowa competition law or antitrust actions and to civil consumer fraud actions, being deemed of immediate importance, take effect upon enactment.

2. Section 5, subsection 13, relating to the availability of television to inmates in correctional facilities, being deemed of immediate importance, takes effect upon enactment.

3. Section 8 of this Act, relating to the encumbrance of certain moneys appropriated to the department of corrections for the fiscal year commencing July 1, 1996, being deemed of immediate importance, takes effect upon enactment.

4. Section 22 of this Act, relating to the Iowa prison infrastructure fund and the facility remodeling fund, being deemed of immediate importance, takes effect upon enactment.

5. Section 27 of this Act, relating to the funding of the criminal justice program at the university of northern Iowa, being deemed of immediate importance, takes effect upon enactment.

Approved May 9, 1997, except the items which I hereby disapprove and which are designated as Section 8 in its entirety; and Section 31, subsection 3 in its entirety. My reasons for vetoing

* Item veto; see message at end of the Act

these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Mr. Secretary:

I hereby transmit Senate File 533, an Act relating to and making appropriations to the justice system and providing effective dates.

Senate File 533 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve section 8 and section 31, subsection 3, in their entirety. These items would utilize a bad budgeting practice to fund additional staff in the Department of Corrections. I am approving direct funding for fifty new corrections officers in the bill, which is the proper way to budget for such ongoing expenses.

For the above reason, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 533 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 206

TAX CREDITS AND EXEMPTIONS — LOCAL BUDGET PRACTICES — PROPERTY TAX STATEMENTS

H.F. 726

AN ACT relating to the livestock production tax credit; increasing the state's reimbursement for the homestead, military service, and elderly and disabled credits; requiring the state to reimburse new property tax credits and exemptions; providing for local government budget practices and property tax statements; and including applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I LIVESTOCK PRODUCTION TAX CREDIT

Section 1. Section 422.120, subsection 1, paragraph b, Code 1997, is amended by striking the paragraph and inserting in lieu thereof the following:

b. (1) The credit shall be available to an individual or corporate taxpayer if the taxpayer's federal taxable income is not more than ninety-nine thousand six hundred dollars for the tax year. In the case of married taxpayers, their combined federal taxable income shall be used to determine if they qualify for the credit.

(2) For each subsequent tax year, the maximum taxable income amount specified in subparagraph (1) shall be multiplied by the cumulative index factor for that tax year. "Cumulative index factor" means the product of the annual index factor for the 1997 calendar year and all annual index factors for subsequent calendar years. The cumulative index